

TAB

**SECRET****ATTACHMENT 2**

25X1

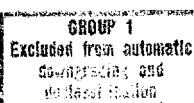
**COST COMPARISON - [REDACTED]**

25X1

1. A cost comparison for each area division is appended. For clarity, the comparison for the FE Division has detailed references to the source of fundamentals and derivation of values for each item. Comparisons under [REDACTED] in all other divisions are similarly computed. 25X1
2. Due to the standardised cost factors of the [REDACTED] the cost difference in each comparison will vary only as the temporary lodging use rates. Results are summarized:

<u>Area Division</u>	<u>Increased Cost to Provide Agency-owned Purchasing</u>
a. PG	112.0
b. DE	115.4
c. MI	143.6
d. ME	115.4
e. ME	117.7
f. AF	120.6
	-----
	689.3

Average percent for Agency (689.3 divided by 6) = 114.9

**SECRET**

**SECRET****PAY RATE DIVISION**

	<u>Provide Agency- Owned Furnishings</u>	<u>Ship Employee's Furnishings</u>
<b>COST OF FURNISHINGS</b> Furnishings allowance is \$4,000 Life of furnishings is 5 years Cost per year is 1/5 of \$4,000 = \$800 x 2 year tour = \$1,600	\$1,600.00	0
<b>TRANSPORTATION OF EMPLOYEE'S EFFECTS ROUND TRIP</b> Cost factor from paragraph 3, Tab I, is \$3,200. From para- graph 4, Tab I, transportation cost one way is 41 percent of cost factor. $\$3,200 \times .41 =$ $\$1,312 \times 2$ (round trip) = \$2,624	\$2,624.00	\$2,624.00
<b>STORAGE OF EMPLOYEE'S EFFECTS</b> This is the average cost per [redacted] regardless of whether limited or full shipment is authorized.	345.00	345.00
<b>25X1C</b>		
<b>COST OF MAINTENANCE AND SERVICE FOR AGENCY-OWNED FURNISHINGS</b> From paragraph 6b, Tab F, 15 per- cent per year of \$4,000 furnish- ings allowance is \$600 x 2 year tour = \$1,200	1,200.00	0
<b>OVERHEAD COST</b> From paragraph 11, Tab F, 10 per- cent per year of \$4,000 furnish- ings allowance is \$400 x 2 year tour = \$800	600.00	0
<b>TEMPORARY LODGING</b> Paragraph 4, Tab I, the average days used are 12 at \$20.59 = \$247.08	245.00*	245.00*
	<b>\$6,814.00</b>	<b>\$3,214.00</b>

Difference: \$3,600.00

Cost to provide Agency-owned furnishings is 112.0 percent greater.

\*Figure for 1963 not available; 1962 figure used.

**SECRET**

**SECRET****WESTERN EUROPE DIVISION**

	<u>Provide Agency- Owned Furnishings</u>	<u>Ship Employee's Furnishings</u>
<b>COST OF FURNISHINGS</b>	\$1,600.00	0
TRANSPORTATION OF EMPLOYEE'S EFFECTS ROUND TRIP	2,624.00	\$2,624.00
STORAGE OF EMPLOYEE'S EFFECTS	345.00	345.00
<b>COST OF MAINTENANCE AND SERVICE FOR AGENCY-OWNED FURNISHINGS</b>	1,200.00	0
OVERHEAD COST	500.00	0
TEMPORARY LODGING	140.00	140.00
	<hr/>	<hr/>
	<b>\$6,717.00</b>	<b>\$3,117.00</b>

Difference: \$3,600.00

Cost to provide Agency-owned furnishings is 115.4 percent greater.

**MIDDLE EAST-NORTH AFRICA DIVISION**

	<u>Provide Agency- Owned Furnishings</u>	<u>Ship Employee's Furnishings</u>
<b>COST OF FURNISHINGS</b>	\$1,600.00	0
TRANSPORTATION OF EMPLOYEE'S EFFECTS ROUND TRIP	2,624.00	\$2,624.00
STORAGE OF EMPLOYEE'S EFFECTS	345.00	345.00
<b>COST OF MAINTENANCE AND SERVICE FOR AGENCY-OWNED FURNISHINGS</b>	1,200.00	0
OVERHEAD COST	500.00	0
TEMPORARY LODGING	364.00	364.00
	<hr/>	<hr/>
	<b>\$6,933.00</b>	<b>\$3,333.00</b>

Difference: \$3,600.00

Cost to provide Agency-owned furnishings is 108.0 percent greater.

**SECRET**

~~SECRET~~MIDDLE EAST DIVISION

	<u>Provide Agency- Owned Furnishings</u>	<u>Ship Employee's Furnishings</u>
COST OF FURNISHINGS	\$1,600.00	0
TRANSPORTATION OF EMPLOYEE'S EFFECTS ROUND TRIP	2,624.00	\$2,624.00
STORAGE OF EMPLOYEE'S EFFECTS	345.00	345.00
COST OF MAINTENANCE AND SERVICE FOR AGENCY-OWNED FURNISHINGS	1,200.00	0
OVERHEAD COST	600.00	0
TEMPORARY LODGING	148.00	148.00
	<hr/>	<hr/>
	\$6,717.00	\$3,117.00

Difference: \$3,600.00

Cost to provide Agency-owned furnishings is 115.4 percent greater.

REAR EAST DIVISION

	<u>Provide Agency- Owned Furnishings</u>	<u>Ship Employee's Furnishings</u>
COST OF FURNISHINGS	\$1,600.00	0
TRANSPORTATION OF EMPLOYEE'S EFFECTS ROUND TRIP	2,624.00	\$2,624.00
STORAGE OF EMPLOYEE'S EFFECTS	345.00	345.00
COST OF MAINTENANCE AND SERVICE FOR AGENCY-OWNED FURNISHINGS	1,200.00	0
OVERHEAD COST	600.00	0
TEMPORARY LODGING	89.00	89.00
	<hr/>	<hr/>
	\$6,658.00	\$3,058.00

Difference: \$3,600.00

Cost to provide Agency-owned furnishings is 117.7 percent greater.

~~SECRET~~

**SECRET****OFFICE DIVISION**

	<u>Provide Agency- Owned Furnishings</u>	<u>Ship Employee's Furnishings</u>
<b>COST OF FURNISHINGS</b>	\$1,600.00	0
<b>TRANSPORTATION OF EMPLOYEE'S ITEMS ROUND TRIP</b>	2,624.00	\$2,624.00
<b>SHIPPING OF EMPLOYEE'S ITEMS</b>	345.00	345.00
<b>COST OF MAINTENANCE AND SERVICE FOR AGENCY-OWNED FURNISHINGS</b>	1,200.00	0
<b>OVERHEAD COST</b>	500.00	0
<b>TEMPORARY LOGGING</b>	10.00*	10.00*
	<hr/>	<hr/>
	<b>\$6,579.00</b>	<b>\$2,979.00</b>

Difference: \$3,600.00

Cost to provide Agency-owned furnishings is 120.8 percent greater.

\*Figure for 1963 not available--1962 figure used.

**SECRET**